

Message

From: Kirsten Rasanen [REDACTED]@google.com]
Sent: 10/17/2017 1:03:52 AM
To: Sameer Samat [REDACTED]@google.com]
CC: Wilson White [REDACTED]@google.com]; Paul Feng 馮友樸 [REDACTED]@google.com]; Jamie Rosenberg [REDACTED]@google.com]; Purnima Kochikar [REDACTED]@google.com]; Claire Hart [REDACTED]@google.com]; Tia Arzu [REDACTED]@google.com]; Harry Johnson [REDACTED]@google.com]; Samer Sayigh [REDACTED]@google.com]
Subject: Re: Spotify Policy Meeting Notes

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Yes. Never say never, but I'd peg it at low. I reiterated that we want to have an open dialogue and are sharing under NDA. Sue got it. I think she'll let me know if things are going to escalate or if they plan to go public with anything.

K

On Mon, Oct 16, 2017 at 5:52 PM, Sameer Samat <[REDACTED]@google.com> wrote:
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thank you for the update.

On Mon, Oct 16, 2017 at 5:29 PM, Wilson White <[REDACTED]@google.com> wrote:
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Thanks for the readout, Kirsten. Sounds like this went as well as can be expected. I'll huddle with our BXL policy team so we are prepared for a parallel meeting. Sounds like we will need to do some work on the pricing parity / user communication issue. We'll keep everyone posted.

On Mon, Oct 16, 2017 at 4:49 PM, Paul Feng 馮友樸 <[REDACTED]@google.com> wrote:
+ Sameer, FYI.

On Mon, Oct 16, 2017 at 4:26 PM, Kirsten Rasanen <[REDACTED]@google.com> wrote:
ATTORNEY-CLIENT PRIVILEGE
SEEKS ADVICE OF COUNSEL

Hi All,

Met with Spotify team at their offices this afternoon. The discussion went as expected. They were surprised and concerned but appreciated the in-person meeting, advance warning and the open dialogue.

They didn't seem to think we would go this direction, "We thought Google would remain an open platform and do what's right for users and developers." [I stayed on message - we seek to create a consistent, safe purchasing experience across the Android ecosystem for all users].

Interestingly, Sue has been trying to drive their Payments team to adopt GPB alongside their organic means to 'let the user choose'. This policy change came as a bit of a shock and changes their workstream on that front.

The below notes captured [here](#) if easier to comment in doc.

Claire, Tia, Wilson, Harry - Please let me know if you have questions or if you have suggested next steps beyond those outlined below.

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EXHIBIT 1417

GOOG-PLAY-007418045

EXHIBIT 1417-001

Key Takeaways:

Timing - 6-9 months from now would not be enough time; They are fully committed for Q4/Q1 and would have to reprioritize many things to make this happen. **They would like to know the deadline ASAP.**

Transaction Fee - The 10% rev share offer was met with some head nods but no firm commitment that this is sufficient. "Well 10% is a lot better than 15%" They seemed surprised that we went down to 10%. I anticipate they will ask for a deeper discount.

Pricing Parity / User Communication - They haven't done the math to know if 10% rev share means they'd need to raise prices in the app or not. If they do, they would want to be able to tell users that they can purchase for less elsewhere (something our new policy will expressly prohibit). **This piece is very important and is a crux of the Apple debate: They believe users should be fully informed about their choices; disadvantaging app users by not being able to tell them that pricing is lower elsewhere isn't fair to users. The user must be able to make a fully informed choice.**

Labels - One thing they may need to do to make this work for consumers and for Spotify is to ask labels for discounts due to new demands from Google. "That wouldn't reflect very well on Google."

Product - They will need to do another full product eval, but are encouraged by some of the changes we've made recently (Realtime notifications, Account Hold, Payment retries all resonated). However, they don't know if these will net them 10% more revenue/users than their own methods. **One thing they mentioned is the desire to have more visibility into user data (FOP-type was one example). They may come to us with a wish-list for data they'd like our billing platform to provide them.**

Policy Principle: It is a principle for them to protect user choice and to have as much control over their relationship with the user as possible. Sue said she didn't know if they'd be able to react any differently to us than to others on this, but appreciated that we are willing to discuss and that "we didn't hear it in an email or via the news." I reiterated that for us it's a user and ecosystem-based principle as well and **I suggested a meeting with our policy team and theirs as our team can share more color on our perspective. They will raise internally and let me know.**

Exec Escalation: Sue didn't think this is a 'Daniel-level' discussion, but that if we need exec escalations she'll let me know and we'll put the right folks together. Sue said she'll keep the discussion need-to-know within Spotify for now.

Next Steps:

- Sue will follow up with me in a few days with more questions; next steps. [If I do not hear from Sue by Thursday, I'll reach back out]
- I suggested a Policy team meeting as Wilson requested. Sue will bring it to Horatio Gutierrez, their lead counsel as he will be the person to talk to Wilson & team.

Other questions

Can we grandfather current users? [Yes.]

Can we use other FOPs in conjunction with GPB? [No.]

Can Google share the policy language ahead of time so they can react to specifics?

Kirsten Rasanen	Director, Google Play Partnerships	[REDACTED]	@google.com	[REDACTED]
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Wilson L. White | Director, Public Policy | [REDACTED]@google.com | [REDACTED]

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Kirsten Rasanen | Director, Google Play Partnerships | [REDACTED]@google.com | [REDACTED]